

# FRACTIONAL CURRENCY COLLECTORS BOARD

## Summer 2015

### Should I Get My Notes Graded?

Some people have been asking about graded fractionals (slabed). Should I get my notes graded so I would know, from their population reports, how my notes would tank among the best notes?

The following has been my response. First of all, most of the higher grade fractionals are not encapsulated. In the top 5 or 6 collections most or none of the notes are encapsulated. You can't see if the note has good embossing or good color in the holders. Also the bronzing looks dull. Encapsulating for coins is different, since there is no embossing to see and the holders are much clearer than the currency slab holders. We've also seen examples where encapsulated notes are incorrectly identified or miss-graded.

If you're a collector, BUY the note, NOT the holder. Take time to learn how to grade notes yourself, learning what to look for in a note. Dealers that have been handling fractional currency for many years, along with other long-term collectors are usually willing to help you learn. Keep in mind that it's not rarity that determines grade; it's the condition and attributes of the note. Just because the note is very rare and doesn't become available very often doesn't mean you should overlook attributes that would affect the grade if it were a more common note.

When learning ask more than one dealer or experienced collector to give you an opinion and why they arrived at that opinion so as to help you learn how to grade. When grading a note look at the paper, it's brightness, does it have stains, paper pulls, hinge remnants, foxing or pin/burn holes. Are there any edge nicks, tears, folds, creases, corner bumps, pre-printed or handling folds? Are the margins even, straight, do they cut into the engraved? These are but a few of the various attributes one looks for when grading a note.

Keep in mind that the various professional grading services are simply providing an opinion and encapsulating it to identify that the particular note is associated with that specific finding. And while they all offer some form of guarantee, it usually indicates that they cannot be held responsible for errors. If you're the buyer, isn't it your opinion that really counts?

Enjoy your notes!

*Rob*

Rob Kravitz

*(Editor's note: Rob wrote an extensive article on this topic that was published in our Summer 2007 newsletter. If you'd like a copy of Rob's complete article on this topic e-mail me and I will reply back with a copy of the complete article.)*

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# FROM THE U.S. TO AUSTRALIA AND BACK: A POSTAGE CURRENCY NOTES' INCREDIBLE JOURNEY

By

*Rick Melamed*

One of the reasons we like fractionals so much is there is always something unusual hitting the scene. It keeps things interesting and diverse. From a recent online auction is an FR1279 first issue postage currency note with an unusual bank stamp. Unusual comes from the other side of the world, because this note has a bold imprint from “Queensland National Bank in Toowoomba” (Australia).



How this insignificant postage note made it to Down Under is fascinating for sure. Toowoomba, Australia is a small city near the eastern border of Australia...due west of Brisbane. Back in the late 1800's it was a very remote place. We found a picture of the bank which was a former hotel. One can imagine a gold miner leaving port in San Francisco and making their way to Australia...possibly escaping the law and heading to a very remote place. Australia has been documented in the 19<sup>th</sup> century as a land of exported British prisoners and other undesirables. It was a perfect place for someone escaping the long arm of the law. The arm was long, but not long enough to reach across 7,500 miles of ocean. Upon arriving in Australia the person no doubt took the note to a bank for conversion to the local currency.



Queensland National Bank – Toowoomba – ca 1870's

The adventure continues, on the back of the note is a stamp from Lloyd's Bank. Lloyd's was a UK bank founded in 1765. It was considered one of the 4 big banking companies in the UK and a leading bank in Australia. Lloyd's had branches in Sydney as well as other Australian outposts. One can guess that the smaller Queensland bank took the postage currency note to the larger Lloyd's for redemption.

*(Continued...→)*



While we can only postulate a story, the real events concerning the note's long journey to Australia will forever remain buried in the annals in time. Welcome back...we are quite glad that you have returned to the US.



## "CSA" Watermarks

By

*Rob Krawitz*

Several members have gone through their collection of specimens and proofs and have sent me a list of which ones have and which letters from the "CSA" water mark. I'm still looking for others that may help complete the census I'm working on to determine if the all the letters of the water mark have been seen on each of the various varieties of specimens and proofs.

When you have a few minutes and can check the notes you may have, please consider sending me a list of what water marks are on each of your notes so as to help-out with the census. Anything you send me regarding specific notes you have will remain confidential.



# U.S. CURRENCY AUCTIONS

## Exceptional Fractional Currency From Our Upcoming September Long Beach Auctions



Fr. 1367 50¢ Third Issue Justice  
PCGS Extremely Fine 45PPQ



Fr. 1299 25¢ Third Issue  
PMG Choice Uncirculated 64 EPQ



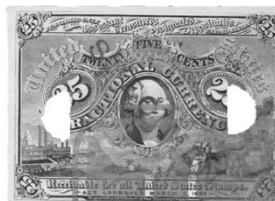
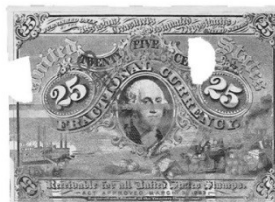
Fr. 1348 50¢ Third Issue Justice  
PMG Choice Uncirculated 63 EPQ



Fr. 1226 3C Third Issue  
PMG Superb Gem Unc 69 EPQ



Fr. 1373 50¢ Third Issue Justice  
PCGS Gem New 66PPQ



Milton 2E25F.2 25¢ Second  
Issue Essay (Experimental)  
Matching Block of Five

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# HERITAGE AUCTIONS



# **JAMES POLIS IS BUYING AND SELLING** **FRACTIONAL CURRENCY**

I am one of the strongest buyers in this field. Take a look at any major auction or show at who is buying fractionals in all grades and you will usually hear my name or see my face. Please send me your notes for a fair and expedient offer.

I am passionately looking for all scarcer varieties as well as Choice-Gem  
Uncirculated Type Notes for my customers.

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*Gem Second Issue Notes with clear surcharges*

*Attractive and broadly margined Spinner notes*

*All Justice varieties*

*High grade Washington, Lincoln and Stanton Notes*

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**ALL GRANT – SHERMAN SPECIMENS**

## **WHY WOULD YOU WISH TO DEAL WITH ME?**

### **PROFESSIONALISM**

It is my promise to you, the customer, that you will always be treated with the most ardent professionalism regarding all matters.

### **AFFILIATION**

I am a member of the Professional Currency Dealers Association, Society of Paper Money Collectors, Fractional Currency Collectors Board, and American Numismatic Association.

### **CONSERVATIVE GRADING**

I am one of the most conservative graders in the hobby (ask anyone who has *ever* dealt with me).

**AUCTION REPRESENTATION**

Very competitive rates offered – I am at every major paper money auction

**MAJOR ADVERTISER**

Check out my full-page ad on *page 17* in every issue of the Bank Note Reporter.

**WANT LISTS SERVICED**

I attend many of the major shows and auctions to satisfy my customer's collecting needs.

The following is a small sampling of some prize notes that I have placed into customer's collections:

*Marchioni* Fr. 1248 Choice CU

Fr. 1299 Very Choice CU

*Gengerke* Fr. 1330 Gem CU

Fr. 1336 Choice CU

*O'Mara* Fr. 1339 NM Specimen Reverse AU

Fr. 1340 Superb Gem CU

Fr. 1348 Choice CU

Fr. 1368 Gem CU

*O'Mara* Fr. 1371 Choice AU

***James Polis***

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# The Crawford "K-20" Engraving Error

By

*Rick Melamed*

*(Editor's Note: This is the third and final part of a multi-part series by the author. This article was also printed in the March/April 2015 issue of Paper Money.)*

## III. New Discovery: The Crawford "K-20" Engraving Error

The old adage about finding something new in fractional currency collecting has rung true yet again. Shown below is a 5<sup>th</sup> issue Fr. 1381 Crawford note. It is one of the most common fractionals and receives little attention from the average collector. Sitting at a dealers table or browsing through an auction catalog or website, most people would only glance at the note before moving on to the next one. Apparently folks have been looking at similar examples as shown below for the better part of 140 years, and saw nothing but a common note.

However, with closer inspection, what we have is an engraving error that is undeniably spectacular. To the right of Crawford's vignette, you can notice the sheet plate letter (which we highlighted within the square box). The plate engraver etched a "K," but also engraved an extra vertical line on the right side of the letter. The engraver started engraving an "H," then realized the sheet position should have warranted a "K." If it was one of the last things he did before completing the plate, he most assuredly did not scrap the plate (and months of work no doubt). So he etched the "K" with the extra vertical line and probably hoped no one would notice. This is exactly what transpired, since this error has not detected for almost 140 years. When one considers that only 1 out of a possible 432 plate letter/number combinations can be engraved with the "K-20" it is understandable why this remained undetected for so long.



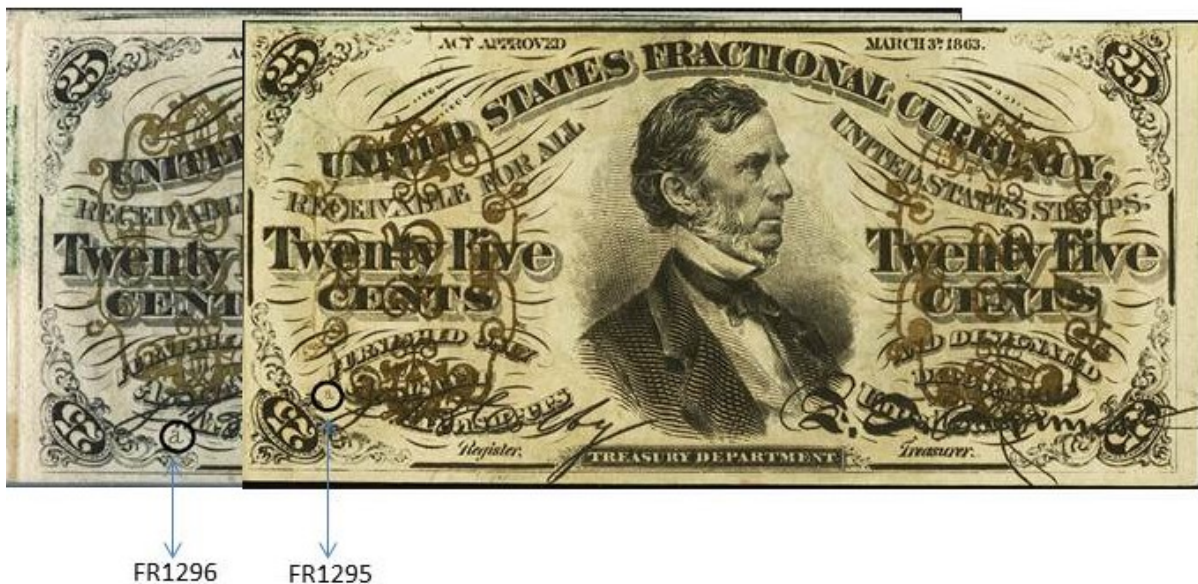
For those who may think the "K-20" might be an "H-20" - shown below is an "H-20" note with a properly engraved "H". This should eliminate any doubt; the engraving error for the sheet plate letter is a "K".

*(Continued...→)*



Fractional engraving errors are rare. Here are two other engraving errors known in fractionals:

1. The Fr.1296, 3<sup>rd</sup> issue 25¢ Fessenden with a misaligned 'a', is in actuality an Fr.1295 with the sheet position designator 'a' engraved 7 mm to the right of the normal position found on the Fr.1295. A Choice CU (63) example recently sold for \$4,400 (a normal Fr.1295 in Choice CU is valued at \$200).



2. The other fractional engraving error (in actuality an engraving omission) is the Fr.1226/Fr.1227 3<sup>rd</sup> issue 3¢ 'no pearl' variety. The 'pearls' are the 2 tiny circles beneath the small diamond at the bottom center of Washington's portrait. They are more commonly found on the Fr.1226 light background variety, but they do show up on occasion on the Fr.1227 dark background variety. A Gem CU (65) of the Fr.1226 example recently sold at auction for \$350, about \$100 more than a with 'pearls' Gem CU example.



### FR1226/27 - No Pearl/Pearl

The Crawford example is a more profound engraving error than both the Fr.1296 with the misaligned 'a' or the Fr.1226/27 'no pearls.' The Crawford 'K-20' note is an exquisite error and a monumental discovery. The engraver's attempt to cover up his mistake is obvious and striking. It gives one some insight into the engraving process and how the engraver made a mistake and tried to cover his tracks. I bet any of you who own a Crawford note are now scurrying to your holdings to see if you have the elusive "K-20".

I'd like to thank Bob Laub for sharing his collection and bringing the Crawford "K-20" to light. Bob was also instrumental in helping me write and edit this article. Thanks to Mike Marchioni, Benny Bolin, the Stacks/Bowers and Heritage auction archives whose wealth of information has proven invaluable for researchers. Additionally, thanks to Wikipedia for the historical biography of Crawford.

*(Editor's Note: Rick is researching postage/fractional currency errors for a more extensive article. If you have any recommendations of specific errors to consider for inclusion, feel free to e-mail Rick at riconio@yahoo.com with your suggestions. If you have high-resolution images to illustrate any specific type of error notes, please consider sending these to Rick as well.)*



## Where's the Membership List?

You'll notice that the normal 2+ page listing of club members is absent from this issue of our newsletter. It was omitted from this issue to provide more space for the articles submitted by our members. This may be done from time to time as needed. If you're ever in need of contacting another FCCB member, feel free to contact me. If that member has agreed to release their information for our directory I'll gladly share it with you.

# Fractional Counterfeiting

*(Reprinted from: The New York Times, October 14, 1864)*

*Courtesy of Rick Melamed*

## **COUNTERFEITING. GREAT HAUL OF RASCALS. Seizure of \$70,000 of Spurious Fractional Currency. Capture of Dies, Plates, Presses, etc. RIGHT PERSONS IN CUSTODY. History of Their Operations. Another Important Arrest of Counterfeiters.**

For several months ingeniously executed fifty cent counterfeit notes, fractional currency, have been in circulation along the line of the Erie Railroad and in this City. So exactly did the bogus issue resemble the genuine, it had almost grown to be a custom not to refuse them in places where time in the matter of making change is a great consideration; and it was only at banking-houses and brokers' offices that they were detected and thrown out. This proving a great annoyance to our merchants and business men generally, the authorities at Washington were appealed to, and skillful detectives employed to seek out the counterfeiters. Under the direction of Col. L.C. BAKER, Chief of National Detective Police, Officers CLARVOE and MCDEVITT, of the Metropolitan Detective Force at Washington, the case was "worked up." For a long time Col. BAKER was in this City and elsewhere, employing much of his time in the discovery of the facts which led to the detection of the counterfeiters who have been manufacturing and putting in circulation these worthless notes.

Fortunately, with one exception, the whole gang has been secured and are now in irons. The case is an interesting one, and the seizures are highly important.

In order to discover the persons engaged in this nefarious business, it was of course necessary to ascertain the locality, as nearly as possible, whence the counterfeit notes were issued. After considerable search, knowing that along the centre line of the Erie Railroad a large amount of the spurious issue was in circulation, the detectives came to the conclusion that it must be at some point on that route the bogus issue was manufactured. After a careful investigation, it was determined that the principal depot was at Paterson, N.J. In the endeavor of the officers to hunt up the counterfeiters, they became alarmed, and removed their presses and plates to Port Jervis. The detectives upon becoming aware of their removal to that place, their further efforts were directed to the arrest of the parties engaged. After carefully reconnoitering the ground, the headquarters of the counterfeiters were ascertained, and on Thursday night, at 12 o'clock, when all were at work, they were taken into custody. Their names are as follows:

1. ASA MARTIN, owner of the house and principal operator.
2. A man named ALEXANDER, of Kalamazoo, Michigan, who is alleged to be an extensive counterfeiter, and who was in Port Jervis for the purpose of purchasing one hundred thousand dollars of the spurious paper.
3. MARTIN's sister FANNY, who was preparing and cutting the notes.
4. A man named NORRIS, supposed one of the ring-leaders, subsequently admitted to bail.
5. ROBERT MALLORY, an assistant.
6. A man named ROBINSON, the engraver of the plates, was in the house and was also arrested. This man has twice been convicted of counterfeiting. He was six years in prison at Trenton, but was pardoned out eight months ago, and began cutting the fractional currency plates, now seized, on the day on which he was released.

The property captured consisted of forty thousand dollars in currency, which was to be the first installment of ALEXANDER's one hundred thousand; the press; two complete sets of fractional currency plates of the

twenty-five cent and fifty-cent denominations; a large quantity of paper, besides inks, tools and other materials.

The counterfeiters were much astonished when they found the house surrounded and no possibility of escape, and they quietly submitted to arrest. Some of them, when the officers appeared were printing, while others were bronzing, cutting and tying notes in packages. Their operations had become so extensive that they found it necessary to build an oven in which to dry the notes in wet weather. The plates were accurately engraved, some on steel, the others on copper -- the latter being the indorsement of the note. Great credit is due Col. BAKER and Officers CLAWOE and MCDEVITT for the skillful management of these arrests.

**SEIZURE OF \$30,000 OF SPURIOUS FRACTIONAL CURRENCY IN THIS CITY; ALSO, THE DIES, PLATES, PRINTING PRESS, ETC.**

The public will be glad to learn that the Government has recently taken very active measures to put a stop to the manufacture and circulation of the spurious fractional currency, with which, for months past, all the Northern States have been flooded. The counterfeits which have been most extensively circulated, are those of the denomination of fifty cents. This is doubtless owing to the fact that they are the best executed. A portion of the counterfeit fifty cent notes are no doubt very clumsily made and could be readily detected by those in the habit of handling the Government fractional currency. Recently, however, the counterfeiters have brought their art to such a degree of perfection, that even brokers, tellers and cashiers of banks in Wall-street, and men whose constant business it is to decide upon the genuineness of all kinds of paper money, have been imposed upon by these spurious fifty cent notes. When new their character can be discovered, but when they become soiled and worn there is no way of judging of the genuineness of these recent issues. It is stated, on good authority, that even the Treasury Department have been misled, and that small quantities of the spurious have been successfully passed upon the agents of Government. It was therefore determined to take some active and thorough steps in the matter. Considering the vast quantities of the counterfeit currency afloat, it was not supposed that all of it had been manufactured at one establishment.

Col. BAKER, Chief of the National Detective Police at Washington, a short time since set himself to work to accomplish the great work. Messrs. JOHN A.W. CLARVOE and JAMES A. MCDEVITT, of Superintendent WEBB's Corps of Detectives in Washington, were selected to aid him. Meantime detectives in this city were enlisted in the matter, and the result of the combined operations of the officials has proved highly satisfactory. Information was lodged with Superintendent KENNEDY several weeks ago, and Chief YOUNG, and Detectives ELDER and MCCORD took charge of the working up of the case so far as this city and vicinity was concerned. The latter officials have just succeeded in seizing thirty thousand dollars' worth of the counterfeit 50 cent stamps, a valuable printing press, numerous dies, a large quantity of printers' ink, and other materials used in the manufacture of the bogus money. Messrs. ELDER and MCCORD, aided in their work by Detective WILSON and MCDUGAL, made a descent on the premises No. 200 Sixth-street, where they found, in a back room on the fourth floor, two men engaged in cutting and packing the currency. A quantity of sheets yet uncut were found. Some of them were incomplete, having received the imprint on one side only. The men found on the premises engaged in the business were taken into custody, and the property seized as above stated. The prisoners were taken to Police Headquarters and there examined. They gave their names as CHARLES PETER HELLERSON and HENRY SELNAR. They will be immediately turned over to the custody of the United States Marshal. The currency seized is very finely engraved from steel plates, the ink used is very [???], and the general appearance of the notes is well calculated to deceive. The place where these men were arrested is a tenement house, known as the "Club House," and the business of making this bogus money was carried on partially in those premises and partially in Newark, New-Jersey. The detectives engaged in working up the case are entitled to much credit for the vigilance with which they watched and waited after they had obtained a very slight clue regarding the situation of the house where the notorious business was transacted.



## FCCB in Memphis!

The 2<sup>nd</sup> Annual FCCB Dinner was held again this year at the Spaghetti Warehouse. Indeed there was lively discussion, and a good time by all!



**Back row (l-r): Mrs. Sid Reese, John “Musk” Musarra, Sid Reese, Bill Brandimore, Miles Fenske, Charles Hess, Mike Marchioni, Nina Marchioni, Jerry Deutsch, Art Paradis, John Wilson**

**Front row (l-r): Dave Stitely, Pam Stitely, Rob Kravitz, Wendy Watson, John Watson, Nancy Wilson, Howard Cohen, Benny Bolin**

**Behind the camera: Jerry Fochtman**

## Fractional Exhibits

This year there was a single Fractional Currency exhibit at the Memphis show. It was titled “Starting Your Own Postage and Fractional Currency Collection” and provided by Jerry Fochtman. The focus of the presentation was to introduce viewers to fractional currency and show them how to start a simple collection with hopes to entice the viewers to begin their own collections. The exhibit was awarded First Runner-Up for Best Exhibit. If you’re interested in seeing it, simply e-mail Jerry and he’ll be happy to send you a PDF showing the exhibit so you can see it and read the content.



## Member's Trading Post

<p>Looking for Graphics of Satirical Notes and other Rare Fractional Items for Historical Digital Collection Effort.</p> <p>Jerry Fochtman  <a href="mailto:jerry@fochtman.us">jerry@fochtman.us</a></p>	<p>Researcher/Collector interested in ALL fractionals with inverted or mirrored plate numbers. If you have one (for sale or research) please e-mail <a href="mailto:riconio@yahoo.com">riconio@yahoo.com</a> or call 818/591-2326.</p> <p>Thanks – Rick Melamed.</p>	<p>Want lists serviced and auction representation with over 40 years of Fractional experience</p> <p>Mike Marchioni  <a href="mailto:Marchion@ETSU.EDU">Marchion@ETSU.EDU</a>  423/439-5362</p>
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Current FCCB Members are welcome to submit requests for the Trading Post!

## Have You Seen/Do You Know Where It Is?

### FRACTIONAL CURRENCY

Pink Fractional Currency Shield: somewhat worn and foxed as all are. With original frame .....\$2,750.00

Fractional Currency book with proof Fractionals, narrow margins, pasted in. 28 crisp notes consisting of obverse and reverse of the following notes: Fr. 1231, 1243, 1282, 1313, 1227, 1238, 1232, 1244, 1251, 1283, 1314, 1291, 1355 and 1228. Book size 8 x 10 1/2", from the Spinner Estate .....\$675.00

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Woodcliff Investment's advertisement in a "Paper Money" magazine from 1971 outlines a "Fractional Currency Book....from the Spinner Estate", which contains 28 notes in a book measuring 8x10-1/2. The presentation books fractional collectors are more familiar with measure 4-3/4 x 6-3/8, or about 1/2 the size of the book being offered.

So...where is this larger book? Was it ever in an auction? Anyone seen it?

# Buying & Selling



## U.S. Fractional Currency



## Rob's Coins & Currency

P.O. Box 6099  
Chesterfield, MO 63006  
314/878-3564  
Robert J. Kravitz,  
SPMC LM 294 • ANA LM 5361

# Newly Discovered Counterfeit Variety

By

*David Treter*

Here is a very important counterfeit fractional note that I recently picked up. It is a discovery note and is the first and only 25¢ 4th issue counterfeit known to date. It came from stamp dealer who bought a valuable old time stamp collection which was owned by a 92 year old WWII pilot from Newton, NC who flew hospital planes to IWO JIMA. In this stamp collection was a page of fractional currency notes that were in terrible condition. Among these poor condition notes was this gem of a counterfeit.



This note was hand canceled with the double 'xx' in old ink on the reverse. There are no reports of this counterfeit variety in any of the counterfeit detectors nor is it in any of the Secret Service reports.

